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P 141209Z AUG 07
FM AMEMBASSY KINGSTON
TO RUEHC/SECSTATE WASHDC PRIORITY 5177
INFO RUCNCOM/EC CARICOM COLLECTIVE
RUEHBR/AMEMBASSY BRASILIA 0095
RUEHCV/AMEMBASSY CARACAS 0491
RUEHLO/AMEMBASSY LONDON 0354
RUEATRS/DEPT OF TREASURY WASHDC
RHMFISS/DEPT OF ENERGY WASHINGTON DC

C O N F I D E N T I A L KINGSTON 001247

SIPDIS

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DEPT PASS TO CENTRAL AMERICAN CARIBBEAN BASIN COLLECTIVE

STATE FOR WHA/CAR (BOB COLLINS)

WHA/EPSC (JANINA SLATTERY, FAITH CORNEILLE)

EB/ESC/IEC (JEFFREY IZZO, MATTHEW MCMANUS)

E.O. 12958: DECL: 08/13/2017

TAGS: [ENRG](#) [ECON](#) [EAGR](#) [EFIN](#) [EPET](#) [PGOV](#) [PREL](#) [EAIR](#) [JM](#)

BR, VZ, XL

SUBJECT: JAMAICA/BRAZIL: LULA OPENS ETHANOL PLANT, GIVES
USD 100 MILLION DURING HIGH-PROFILE VISIT; BILATERAL TIES
STRENGTHEN

REF: A. KINGSTON 393 (211315Z MAR 07)(NOTAL)

[1](#)B. 06 KINGSTON 2256 (211459Z NOV 06)(NOTAL)

[1](#)C. KINGSTON 342 (121939Z MAR 07)

Classified By: Ambassador Brenda L. Johnson; reasons 1.4(b) and (d)

Summary and Analysis

1.(C) Brazil's President Luiz Inacio Lula da Silva officially has opened a major new ethanol plant in Jamaica, extended USD 100 million in credit, and announced bilateral initiatives in renewable energy, technology, aviation, social policy, and educational and sporting exchanges. His high-profile working visit came as Prime Minister Portia Simpson Miller (PSM)'s ruling Peoples' National Party (PNP) is locked in an intense campaign struggle with the opposition Jamaica Labour Party (JLP) in the run-up to national elections on August 27. But regardless of who forms its next government, Jamaica's economic and political ties with Brazil will continue to strengthen; unlike PSM's recent involvement with Venezuela (reftel A), cooperation with Brazil is strongly supported by both major parties, and indeed throughout the country.
End Summary and Analysis.

Brazilian inputs and machinery, Jamaican investment and entrepreneurial spirit

2.(U) President Lula da Silva arrived in Kingston the night of August 8 in order to officially open Jamaica Broilers, Ltd.'s new USD 20 million ethanol plant, JB Ethanol, Ltd., at Port Esquivel, in the district of St. Catherine, the next day. Ambassador and Emboff also attended the ceremony, which marked the start-up of one of the largest projects the country has seen in years. JB Ethanol already has filled a 3.2 million-gallon export order to the U.S., and will produce 60 million gallons annually when fully operational. The plant will process both feedstock from Brazil and locally produced sugar cane and feedstock, and will rely on Brazil's technical, financial, and managerial support. At the

opening, Lula said Jamaica's long experience with sugar cane, together with its vision and innovation, would enable the country to "play a fundamental role in biofuels." He then announced that Jamaica would receive a USD 100 million line of credit through Brazil's National Bank. In an article prominently featured in the August 8 edition of the "Jamaica Gleaner" newspaper, Lula saluted JB Ethanol as "a union of Brazilian inputs and machinery with Jamaican investment and entrepreneurial spirit."

Reduced fuel imports, relief for sugar cane industry

3.(U) In her remarks at the plant opening, PSM underscored the importance of ethanol to the viability and ongoing privatization of the country's hard-pressed sugar cane industry. Among the highest per capita consumers of oil in the world (reftels B,C), Jamaica plans to reduce its fuel bills by introducing a ten percent ethanol additive to its gasoline by 2008.

Renewable energy, technology, aviation, social policy, education, sport

4.(U) During his brief working visit, the President also met privately with PSM; the two subsequently announced:

-- Brazil's continued technical support to Jamaica relating to renewable energy and the sugar and ethanol sectors;

-- Plans to introduce direct airline flights between Jamaica and Brazil;

-- A new agreement for student exchanges;

-- Abolishment of visa requirements for diplomatic and official passport holders;

-- Collaboration in anti-poverty programs and policies;

-- Sporting exchanges in track and field and soccer.

5.(U) At a Brazilian-sponsored forum on biofuels held last week in Kingston, PSM said: "We in Jamaica are very excited about the possibilities of deeper cooperation with Brazil, a regional power in the hemisphere and one of the most influential countries in the emerging world." Brazilian Ambassador to Jamaica Cezar De Souza Lima Amaral told the media: "The relationship is much better than it was in the past; there has been an interchange of high-level government officials." Trade ties also are growing: thus far in 2007, Brazilian exports to Jamaica have reached USD 170 million, up sharply from USD 54 million last year.

JOHNSON